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BY THE HOUSE OF DELEGATES,  
February 19, 1842.

R E P O R T

FROM THE

COMMITTEE ON INTERNAL IMPROVEMENT,

TRANSMITTING

A COMMUNICATION FROM THE PRESIDENT

OF THE

BALTIMORE AND OHIO RAIL ROAD COMPANY.



# R E P O R T .

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*Office of the Baltimore and Ohio Rail Road Company,*  
FEBRUARY 23rd, 1842.

To W. V. BUSKIRK, Esq.

*Sir*,—The President of this company being sick and confined to his bed, I have your communication of the 19th inst. containing the following order of the House of Delegates, before me:

“Ordered, That the Committee on Internal Improvement, be directed to inquire of the President of the Baltimore and Ohio Rail Road Company, of the President of the Chesapeake and Ohio Canal Company, and of the President of the Susquehanna Rail Road Company:

1. The number of officers annually in the employment of said companies since the 1st of January 1838, with tables annexed, shewing the names and salaries of said officers respectively, and the particular station held by each individual for the several years of 1838-39-40 and 41.

2. What officers of said companies have received extra allowances, and what amounts have been paid or stipulated to be paid to each of said officers respectively, and for what purpose.”

In answer, I have prepared and herewith transmit to you a copy of a letter of the president, dated 20th January 1840, to the then chairman of the Committee on Internal Improvement of the House of Delegates, and also copies of the documents which accompanied that letter.

The changes which have been made since that period, are the following, viz:

1. The salary of the depot agent at Washington, has been increased \$200 per annum.

2. The salary of the depot agent at Harper’s Ferry, has been reduced to \$300 per annum; and his clerk, whose salary was \$420 per annum, dispensed with.

3. The two officers of passenger and tonnage agents have been united into one, by which a saving of \$800 per annum has been made.

4. The salaries of two clerks in the transportation department have been reduced \$240 per annum.

5. The parties on surveys west of Cumberland, have been disbanded, by which an expenditure of \$7,500 per annum is done away with.

6. The number of division engineers between Harper's Ferry and Cumberland, has been reduced from three to two, by which there is a saving of \$1,300 per annum.

7. Four resident engineers whose aggregate amount of salaries was \$4,000 per annum, have been dispensed with.

8. Four local engineers on reconstruction, salaries \$3,640 per annum, dispensed with.

9. The department of machinery has passed into the hands of the principal assistant engineer, and the principal machinist's salary has been reduced \$200 per annum.

By these changes, you will observe, the aggregate annual expenditure of the company has been lessened \$18,200 per annum.

I am, sir, very respectfully,

Your obedient servant,

J. I. ATKINSON, *Secretary.*

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*Copy of a letter addressed by Louis McLane, President, to the Chairman of the Committee on Internal Improvements of the House of Delegates, January 20th, 1840.*

"Pursuant to these orders, I now transmit a tabular statement and other papers prepared by the Secretary, numbered from to inclusive: and which it is believed, will afford all the information required.

I am not aware of any extra allowance paid or stipulated to be paid within the scope of the orders, unless that allowed to the president of the company on account of his agency abroad in regard to the disposition of the sterling bonds of the State, given to the company in payment of the subscription on the part of the State, be intended.

I have, therefore, caused extracts to be made from the report of the committee of finance, proposing the allowance in this case, and from the minutes of the board by which it was confirmed. I have deemed it proper also, to cause to be made and forwarded, extracts from the minutes of the board, where they are particularly recorded of the resolutions authorising an increase of salary.

It may not be improper for me to state, that the wish of the board, that I should become the president of the company, was not made known to me until after the resolution of the 27th December 1836; that the application was altogether unexpected to me, and that the offer was not finally accepted until the 28th day of January following.

It is necessary to remark, that as well the number of officers as the salaries allowed them, have been adjusted not only in reference to that part of the road actually completed and in use, but also in respect to the work of construction and other preparations which have been in progress in extending it to Wheeling and Pittsburg,

In reference to these objects, the operations of the company are believed to be conducted with as great economy as those of any other company, in proportion to the magnitude of the enterprise, of which the board have any knowledge.

In some instances in which an increase of salary has been authorised, the measure was deemed only just to the officer, and necessary to ensure the services of competent agents, in consequence of the increased duties and responsibility arising from the great augmentation in the business of the road. In others it formed part of an arrangement by which certain agents were dispensed with and their duties devolved upon others.

These arrangements were made as well to simplify the operations of the road, to concentrate and ensure more strict and rigid the responsibility of the agents, and to introduce better economy into the entire system.

While the board have acted from a belief, that the wisest economy, consists in commanding the best grade of talent fitted for the service, and of rewarding its exercise with a liberal frugality, they have not been unmindful of the importance of keeping their expenses within their income, small as that has been.

Even an unprofitable road, however, requires fixtures incident to such works, and is not to be conducted with less expense than others possessing greater advantages; at the same time, it will appear from the last annual report, that in the last two years, a surplus of income over expenditure has been gradually accumulating; and from an examination of the tabular statement herewith submitted, that notwithstanding the augmentation in the trade and business of the road, and the increase of salary, which in some instances has been allowed, the aggregate amount paid for salaries of the principal officers is at present less than it was in the 1835, or in any intermediate year."

Signed,

LOUIS McLANE, *President.*

I certify the foregoing to be a true copy.

J. I. ATKINSON, *Secretary  
of the Baltimore and Ohio Rail Road Company.*

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*Extracts from the Minutes of the Board.*

*December 27th 1836.*

On motion, it was

*Resolved*, That the salary of the President be fixed at six thousand dollars per annum, to commence on the 1st of January, 1837, payable quarterly.

The board then on motion, proceeded to ballot in order to supply the vacancy occasioned by the resignation of Mr. Patterson, and Messrs. Hawkins and Patterson were appointed tellers; when on counting the ballots it was ascertained, that the whole of the votes present, had been given to Louis McLane, Esq., who was

thereupon declared to be duly elected president of the Baltimore and Ohio Rail Road Company.

On motion,

*Resolved*, That Messrs. Patterson, Swan and Latrobe, be a committee to proceed to New York, for the purpose of announcing to Mr. McLane his appointment, and communicating with him in relation thereto.

I certify the foregoing to be a true copy.

J. I. ATKINSON, *Secretary,  
of the Baltimore and Ohio Rail Road Company.*

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*Extract from the minutes of the Committee on Finance of 3rd of July 1839, and adopted the same day by the Board.*

On the subject of the proper compensation to be allowed the president for his services abroad, he considers himself placed in a position of much delicacy, and prefers that it should, under circumstances, be decided by the Board of Directors. The committee have agreed, that the lowest amount offered him should be \$8000 certain, for his expenses and journey; and that in case he shall succeed in disposing of the bonds, he shall be paid the further sum of \$8000, making in the whole about one half of one per centum on their estimated value; and this to be clear to him of any commissions he may have to allow to foreign bankers or agents in carrying out the negotiation; and they have further agreed, that no diminution of his salary as president shall be made during his absence. These terms, taking into consideration, that Mr. McLane from his peculiar situation, and which forms one prominent qualification for his task, will be subject to heavy and unavoidable expenses, are considered moderate, and are below what has been received by other gentlemen charged with similar objects of far less amount, and as this is an extra service from which he may possibly derive no pecuniary benefit whatever, the committee have thought it but just, that his fund for family expenses, which will be the same to him whether at home or abroad, should remain undiminished."

*From the minutes of the Board, 3rd July, 1839.*

"The compensation of the agent, which, on motion was adopted unanimously."

I certify the foregoing to be a true copy.

J. I. ATKINSON, *Secretary,  
of the Baltimore and Ohio Rail Road Company.*

*Extracts from the minutes of the Board,*  
*4th April 1838.*

“A communication was received from Edward Small, the clerk in the office, asking for an increase in his salary.

On motion, it was

*Resolved*, That \$700 instead of \$500 per annum be allowed to Edward Small, for his services, to commence on the 1st day of the present month, April.”

*Extract from the Minutes of the Board,*  
*10th October 1838.*

On motion, it was

*Resolved*, That the salary of the secretary be \$2000 per annum, from 1st October 1838, and that hereafter, the secretary be required to give bond with two sureties, to be approved of by the board, in the penalty of \$20,000, for the faithful performance of his duties.

*Extract from same, 10th October 1838.*

“Mr White from the committee to whom was referred the application of William S. Woodside, superintendent of transportation, for an increase of salary, made a verbal report recommending an increase of the salary of the superintendent to \$2000 per annum, from the 1st of July last, which report was, on motion adopted.”

I certify the foregoing to be correct copies.

J. I. ATKINSON, *Secretary,*  
*of the Baltimore and Ohio Rail Road Company.*

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# Ohio Rail Road Company

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i the employ—J

## Remarks.

The last column (for 1839) shews the preparation of the service with the exceptions  
y acted as Treasurer—that office being  
with his.

and '6, \$500 of Supt's Transp's salary  
nce for travelling expenses.

Number.	Salaries for
	\$6,000 per a
	\$1,500 "
	*
	\$1,000 "
2	\$700 & \$500
	\$2,000 "
6	\$2.22 per c
1	\$1.66 "
1	\$2.00 "
1	\$1.16 "
1	\$1.11 "
1	\$1.66 "
1	\$1.50 "
1	\$1.33 "
1	\$1.16 "
1	\$0.66 "
	\$3,000 "
	\$3,000 "
5	\$1,500 "
1	\$600 "
1	\$1,500 per :
4	\$2.50 "
	Discontinued
	\$1,000 per

## Engineer Location and Construction

endance of Re-construction and Repairs  
December 1st, 1838.

ch. Rep. and Re-construction combined  
838.

Up to beginning of 1838, repairs of ma-  
re done under contract with Gillingham  
In part of 1838 & '9, they were carried  
eman under the general superintendance  
rintendant of Transportation, and in Ju-  
Superintendent of Repairs of Road took  
as charge of them.

I certify the foregoing

N, Sec'y B. & O. R. R. Co.

**TABULAR STATEMENT** of the number 'duties, and compensations of all the officers and agents who have been in the employ of the Baltimore and Ohio Rail Road Company during the years 1835, '6, '7, '8 and '9, and those now in the employ—January 1st, 1840.

Departments,	Titles or names of Officers.	Number.	Salaries for 1835.	Number.	Salaries for 1836.	Number.	Salaries for 1837.	Number.	Salaries for 1838.	Number.	Salaries for 1839.	Remarks.
Office in Baltimore, Transportation, . . .	President. . . . .		\$3,000 per annum.		No salary paid.		\$6,000 per annum.		\$6,000 per annum.		\$6,000 per annum.	NOTE.—The last column (for 1839) shows the present organization of the service with the exceptions noted below.
	Secretary. . . . .		\$1,000 " "		\$1,000 per annum.		\$1,500 " "		\$1,500 " "		\$2,000 " "	
	Treasurer. . . . .		\$250 " "		\$250 " "		\$500 " "					
	Counsel. . . . .		\$1,000 " "		\$1,000 " "		\$1,000 " "		\$1,000 " "		\$1,000 " "	
	Clerks, . . . . .	1	\$700 " "	1	\$3.00 per diem.	1	\$500 " "	2	\$700 & \$500 " "	2	\$700 & \$500 " "	"Secretary acted as Treasurer—that office being combined with his.
	Superintendant. . . . .		\$2,500 " "		\$2,500 per annum.		\$2,000 " "		\$2,000 " "		\$2,000 " "	In 1835 and '6, \$500 of Supt's Transp's salary was allowance for travelling expenses.
			1 \$2.50 per diem	1	\$2.50 per diem.	1	\$1.74 per diem.	6	\$2.22 per diem.	6	\$2.22 per diem.	
			1 \$2.22 " "	2	\$2.22 " "	1	\$2.50 " "	1	\$1.66 " "	1	\$1.66 " "	
			3 \$2.00 " "	3	\$2.00 " "	2	\$2.22 " "	1	\$2.00 " "	1	\$1.50 " "	
	Depot Agents. . . . .		3 \$1.66 " "	2	\$1.66 " "	2	\$2.00 " "	1	\$1.16 " "	1	\$1.16 " "	
			1 \$1.75 " "	1	\$1.40 " "	3	\$1.66 " "	1	\$1.11 " "	1	\$1.11 " "	
			1 \$1.00 " "	2	\$0.83 " "	1	\$1.50 " "	2	\$0.83 " "	1	\$0.55 " "	
			1 \$1.37 " "	1	\$2.50 " "	1	\$1.66 " "	1	\$1.66 " "	1	\$1.66 " "	
			1 \$0.50 " "	2	\$1.37½ " "	1	\$1.50 " "	1	\$1.50 " "	1	\$1.50 " "	
	Clerks. . . . .			1	\$0.83 " "	1	\$1.33 " "	1	\$1.33 " "	2	\$1.33 " "	
				1	\$0.75 " "	1	\$1.25 " "	1	\$1.16 " "	1	\$0.83 " "	
				1	\$0.66 " "	1	\$1.00 " "	1	\$0.66 " "	1	\$0.66 " "	
Surveys and Location,	Chief Engineer. . . . .		\$3,000 per annum.		\$3,000 " annum.		\$3,000 " annum.		\$3,000 per annum.		\$3,000 per annum.	
	Eng'g Loc'n's and Con's. . . . .				\$3,000 " "		\$3,000 " "				\$3,000 " "	
	Ass't Eng'rs or heads of Parties.		\$2,000 per annum.	4	\$1,500 " "	5	\$1,500 " "	5	\$1,500 " "	5	\$1,500 " "	
	Clerk. . . . .							1	\$600 " "		\$600 " "	
Construction, . . . .	Superintendant. . . . .		\$3,000 per annum.		\$3,000 per annum.							Merged in Engineer Location and Construction
	Division Engineers. . . . .											
	Resident Engineers. . . . .											
Re-construction, . . .	Superintendant. . . . .											
	Local Engineers. . . . .											Superintendance of Re-construction and Repairs combined December 1st, 1838.
Repairs, . . . . .	Superintendant. . . . .		\$1,500 per annum.		\$1,500 per annum.		\$2,000 per annum.					Sup. Mach Rep. and Re-construction combined April 1st, 1838
	Assistant Engineer. . . . .		\$1,500 " "		\$1,500 " "		\$1,500 " "					
	Superintendant. . . . .		\$2,000 " "		\$1,000 " "		\$1,000 " "		Discontinued.		\$1,200 per annum.	
Machinery, . . . . .												NOTE.—Up to beginning of 1838, repairs of machinery were done under contract with Gillingham & Wiman. In part of 1838 & '9, they were carried on by a foreman under the general superintendance of the Superintendant of Transportation, and in July, '39, the Superintendant of Repairs of Road took and now has charge of them

I certify the foregoing to be a true copy,

J. I. ATKINSON, Sec'y B. & O. R. R. Co.

